

PRE-PROPOSAL CONFERENCE SUMMARY
PROJECT NO. F10R5200096
VVIDEO LOTTERY TERMINAL (VLT) MODELING TOOL
November 10, 2004

The Pre-Proposal Conference for Video Lottery Terminal (VLT) Modeling Tool (#F10R5200096) was called to order at 10:00 AM EST on November 10, 2004 by Robert W. Howells, Procurement Officer, in Room #240A, Department of Budget and Management, 45 Calvert Street, Annapolis, MD 21401.

Mr. Howells introduced himself and the other State personnel present:

Cecilia Januszkiewicz, Deputy Secretary, Department of Budget and Management
Buddy Roogow, Director, Maryland State Lottery
Patrick Miller, Office of the Secretary, Department of Budget and Management
Gregory McKibbin, Deputy State CIO

Mr. Howells asked everyone to sign the Sign-In Sheet, indicated that copies of the Sheet would be available at the end of the meeting, and made note of the fact that MBE firms should be identified as such on the Sheet. Attendees were:

Early Morning Software, Inc (MBE)
PricewaterhouseCoopers, LLP
WhiteSand Consulting
Towson University/R.E.S.I.
The Innovation Group
Capitol Strategies, LLC
Cooter, Mangold, Tompert & Wayson, LLC

M. Howells outlined the format for the meeting and explained the procedure for questions. It was explained that answers given verbally at the meeting are for clarification and informational purposes, but do not change the requirements of the RFP. Any changes to the written document must be in the form of an Amendment to the RFP.

After a review of Section 2.1 "Purpose" the floor was opened to questions and discussion on Section 2 – Scope of Work. The following questions were asked during the meeting:

1. **QUESTION:** The November 23, 2004 due date does not allow much time. Can it be extended?
ANSWER: The closing date for receipt of proposals is November 23, 2004 at 2:00pm (local time) as stated in the RFP. Any change to that date, if the State should deem it to be necessary, must be issued as an Amendment to the RFP.
2. **QUESTION:** The January 15, 2005 installation date for the modeling tool is very short and implies that a COTS solution is being sought?

ANSWER: The State is asking offerors to propose a modeling tool that meets the requirements of the RFP. It is not restricted to a COTS solution, although that would be a possible acceptable solution.

3. **QUESTION:** Some of the variables in Section 2.4.1.2 seem to be inconsequential and not needed or impossible to quantify. Can the number of variables be reduced?

ANSWER: The variables as stated in the RFP are the minimum variables that must be addressed by the modeling tool. Offerors in their proposals should explain any additional variables that are considered to be significant.

4. **QUESTION:** In Section 2.4.1.2: 1 Can some of the variables such as “splits”, “Class II or III” machines, “pooled bets vs. Stand alone”, and “VLT positions” be more clearly defined?

ANSWER: (Answer was deferred at conference; see Amendment #1 to the RFP)

5. **QUESTION:** Is the State really looking for a stand-alone model that can be used without the assistance of the contractor, or is the State expecting the contractor to participate in the input of data and the analysis of the output?

ANSWER: The State is seeking a modeling tool that will provide State personnel with the capability to manipulate the specified variables in order to assess different scenarios for VLT gaming. The RFP requires the contractor to provide training to State personnel on the use of the modeling tool and to provide enhancement and consulting services, as needed, to assist the State with the utilization of the modeling tool.

6. **QUESTION:** How can a contractor be assured that proprietary methods or information contained in the model delivered to the State will remain confidential?

ANSWER: (Answer was deferred at conference; see below)

Section 2.4.9 of the RFP addresses this issue, as it applies to a newly developed model or a COTS model, as follows: In the event that the Offeror proposes to develop, in whole or in part, the modeling tool, the State shall wholly own, as a “work for hire” as the term is interpreted under U.S. copyright law, any resulting information technology, including but not limited to source code, maintenance updates, and documentation. In the event that the Offeror proposes to provide a commercial off-the shelf information technology product or a previously developed information technology product as the modeling tool required by this RFP, the Offeror shall provide included with the model a perpetual and non-exclusive license for at least ten (10) concurrent users.

7. **QUESTION:** Who will be the point-of contact in the State for this contract?

ANSWER: The sole point-of-contact in the State for the purpose of this RFP and the procurement process is the Procurement Officer, Robert W. Howells. After contract award, the Contract Manager, Patrick Miller, will be the point-of-contact in the State for daily activities under the contract.

8. **QUESTION:** Regarding the MBE subcontracting goal, are the minority subcontractors proposed to be used by an offeror required to already be certified at the time of proposal submission?
- ANSWER:** Subcontractors used to meet the 25% MBE subcontract goal must be certified by the Maryland Department of Transportation (MDOT). They must be certified at the time of proposal submission. The process to obtain certification is very thorough and is not quickly achieved. Certification by the Federal government or other states is not adequate. The MDOT website reference is provided in the RFP for further information.
9. **QUESTION:** Is the Non-Visual Access requirement stated in Section 1.31 of the RFP applicable to this contract?
- ANSWER:** Yes, it is applicable and the Non-Visual Access requirements must be met by the contractor.

Mr. Howells then conducted a review of the other Sections of the RFP document covering the general requirements of State procurement. This review included:

Section 1 – General Information

1. As stated on the Financial Proposal Form, Offerors are required to provide 5 price components: a firm fixed price to provide the modeling tool and hourly rates for the four categories of support services. This will be combination Firm Fixed Price contract and an Indefinite Quantity Contract with Firm Fixed Unit Prices (hourly labor rates), and the estimated hours of support services shown on the Financial Proposal Form are for evaluation purposes only.
2. This will be a single-award contract; the Contract Term is 2 years with 2 1-year renewal options which are unilateral at the State's option
3. The point-of-contact for everything related to this RFP, prior to the award of a contract, is the Procurement Officer. All questions and communications must be directed only to the Procurement Officer. After award, the contract will be handed-off to the Contract Manager, who will then become the point-of-contact for all daily activities. The Procurement Officer will become involved again only if there are contract performance or legal issues that arise.
4. The procedure for responding to questions and that there is no definite "cut-off" for the receipt of questions. Answers to questions & any Amendments, as well as the RFP, will be available electronically on the DBM website & eMarylandMarketplace.
5. It was re-emphasized that the Due Date and Time are critical and that proposals received after the stated time, even if only late by a minute, shall not be accepted.
6. The duration of the offer must be valid for 120 days

7. It was explained that the Competitive Sealed Proposals procurement method permits discussions with offerors and offerors may be invited by the State to participate in discussions or oral presentations.
8. Multiple and Alternate proposals will not be accepted
9. Offerors were reminded and cautioned to carefully consider and identify those parts of their proposals deemed to be confidential under the Maryland Public Information Act.
10. Offerors were cautioned to have the Contract-Attachment A and the Mandatory Contractual Terms reviewed by legal counsel early in the process so that a situation does not arise later where they are recommended for award of the contract but then have a legal problem discovered by their attorneys.
11. Attachments B-Bid/Proposal Affidavit and C-Contract Affidavit were reviewed. The topic of Arrearages was discussed, and offerors were cautioned to verify early in this process that their firm is current on taxes to Maryland and properly registered to conduct business in the State.
12. The Minority Business Enterprise Subcontract Participation Goal of 25% for this contract was reviewed. The revisions to the MBE submission requirements that became effective 10/1/04 were also reviewed and offerors were advised to carefully read and comply with Attachment D.

Section 3-Proposal Format

1. The required format and procedure for the submission of proposals was reviewed and the importance of following the specified format was emphasized. Use this section as a checklist for the items required to be submitted.
2. Offers were cautioned that any Exceptions taken to the requirements of the RFP or Contract may disqualify their offer.
3. It is important to acknowledge the receipt Addenda or Amendments to the RFP, if any, and to submit the items stated in 3.4.2.7.

Section 4-Evaluation Criteria and Selection Procedure

1. The basis of contract award for an RFP is a combination of technical merit and price. In the evaluation of proposals, technical merit shall have greater weight than price. A higher priced offer could receive contract award if its technical merit is superior and justifies the higher price.
2. The "Total Proposed Price for the Base Contract Term" specified on the Financial Proposal Form will be used for comparison of prices between offerors. However, this total price is based on estimated quantities for the support services, and the contractor will only be paid for the actual number of hours of support services required by the State.

At the conclusion of the discussion of these Sections there were no further questions. Mr. Howells asked attendees to submit any specific questions in writing so that they could be carefully reviewed by the State and answered in writing.

Mr. Howells thanked everyone for attending and indicated that a summary of the Pre-Proposal Conference and possibly an Amendment to the RFP would be forthcoming.

The meeting was adjourned at 11:50 am.